

Message Text

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PAGE 01 DACCA 01644 161123Z

ACTION AID-59

INFO OCT-01 NEA-10 ISO-00 L-03 TRSE-00 EB-08 CIAE-00

INR-10 NSAE-00 ABF-01 OMB-01 /093 W

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FM AMEMBASSY DACCA

TO SECSTATE WASHDC 8491

INFO AMEMBASSY ISLAMABAD

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JOINT STATE-AID MESSAGE

E.O. 11652: N/A

TAGS:

SUBJECT: PAYMENT OF PIA INVOICES

REFS: A. DACCA 468-FEBRUARY, 1972, B. ISLAMABAD 1363

FEBRUARY 1972, C. STATE 28967 FEBRUARY 1972, D.

DACCA 0615 FEBRUARY 1972, E. STATE 33063 FEBRUARY 1972,

F. STATE 262663 NOVEMBER 1974 G. DACCA 5606 DECEMBER 1974

1. ALL OF ABOVE REFERENCES ARE STATE/EMASSY MESSAGES AND TO THE BEST OF OUR KNOWLEDGE THE ISSUES SURROUNDING THIS MATTER HAVE NOT BEEN PREVIOUSLY REPORTED TO AID/W.

2. SUMMARY - OVER THE PAST SEVERAL YEARS BANGLADESH BIMAN AIRLINES HAS PRESSED THEMBASSY/USAID FOR THE SETTLEMENT OF APPROXIMATELY DOLS 30,000 IN CLAIMS FOR VARIOUS AIR SERVICES RENDERED BY PAKISTAN INTERNATIONAL AIRWAYS PRIOR TO BANGLADESH INDEPENDENCE. OF THE TOTAL CLAIM APPROXIMATELY DOLS 11,000 IS FOR USAID AND ON THE SURFACE APPEAR TO REPRESENT LEGITIMATE CLAIMS BY EITHER PIA OR BB. THE BB AFTER INDEPENDENCE SEIZED ALL ASSETS OF PIA INCLUDING THEIR ACCOUNTS RECEIVABLE, AND TO DATE NO

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PAGE 02 DACCA 01644 161123Z

SETTLEMENT BETWEEN THE TWO AIRLINES HAS BEEN REACHED. HENCE EMBASSY/USAID HAVE RESISTED PAYMENT UNTIL ASSURANCES COULD BE RECEIVED THAT WE WOULD NOT BE FACED WITH A SUBSEQUENT CLAIM FROM ONE OR THE OTHER. ON MARCH 15 A FINANCIAL OFFICER FROM BB MET WITH EMBASSY B&F OFFICER AND USAID CONTROLLER AND AGAIN REQUESTED SETTLEMENT OF THE CLAIMS. SINCE THIS MINOR MATTER HAS BEEN PROTRACTED AND IS

NOW A BIT OF AN EMBARRASSMENT THE EMBASSY/USAID WOULD LIKE TO RESOLVE IT ONE WAY OR ANOTHER. END SUMMARY.

3. ASIDE FROM THE MATTER OF WHO TO PAY THERE ARE SEVERAL OTHER TECHNICAL/LEGAL ISSUES THAT SURROUND THIS PROBLEM. TO WIT. MOST CERTAINLY ALL OF THE BILLS TO USAID WERE FUNDED FROM THE PAKISTAN TRUST FUND WHICH HAVE BEEN SUBSEQUENTLY DEOBLIGATED.

4. RECENTLY EMBASSY ECONOMIC OFFICER INFORMALLY MENTIONED THIS MATTER TO PIA REP AND ASKED IF PIA WOULD QUITCLAIM THEIR RIGHTS, AND THE REP REPLIED THAT HE DOUBTED THAT PIA WOULD BE WILLING TO DO THIS. AT SAME TIME THE REP STATED THAT HE ALSO DOUBTED THAT PIA WOULD EVEN PRESENT A CLAIM SINCE AT THE TIME OF THE SEIZURE THE BDG ALSO CONFISCATED OR DESTROYED ALL OF THE BOOKS AND RECORDS, AND PIA WOULD HAVE NO BASIS FOR PREPARING OR SUBSTANTIATING THEIR CLAIMS. THIS WAS REINFORCED IN THE MEETING WITH THE BB FINANCIAL OFFICER IN THAT HE INFORMED THE CONTROLLER AND B&F OFFICER THAT BB HAD ALL OF THE ORIGINAL DOCUMENTATION AND THAT PIA HAD NO WAY OF RECONSTRUCTING THE CLAIMS.

5. IN ORDER TO BRING THIS LONG OVERDUE ISSUE TO A CONCLUSION THE EMBASSY/USAID RECOMMEND THAT THE DEPARTMENT AND AID/W SEEK WHAT EVER APPROVALS ARE REQUIRED LIMITED OFFICIAL USE

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PAGE 03 DACCA 01644 161123Z

FROM CG AND OR CONTROLLER GENERAL TO PAY CLAIMS TO BB ON THE ASSUMPTION THAT PIA WILL NOT MAKE A CLAIM, WHICH APPEARS TO BE A REASONABLE ASSUMPTION. IN SO FAR AS FUNDING IS CONCERNED EITHER AN INCREASE OF APPROXIMATELY DOLS 11,000 IN USAID MOB WILL BE REQUIRED OR WE SETTLE WITH BB OUT OF THE PAKISTAN TRUST FUND WHERE THE OBLIGATIONS WERE ORIGINALLY ESTABLISHED. IF THE LATTER COURSE WERE FOLLOWED USAID/PAKISTAN WOULD HAVE TO GIVE USAID/B A CITATION OF A DOLLAR APPROPRIATION TO WHICH WE COULD CHARGE THE PAYMENTS. SUBSEQUENTLY USAID/B WOULD PREPARE AN ADVISE OF CHARGE TO USAID/P WHO COULD TRANSFER THE CHARGES VIA A FORM 1097 TO THE TRUST FUND. THE EMBASSY HAS OBLIGATIONS ESTABLISHED FOR THE PAYMENT OF THEIR PORTION OF THE CLAIM.

6. NATURALLY IF APPROVAL TO SETTLE WITH BB IS RECEIVED WE WILL MAKE CERTAIN THAT ALL OF THE CLAIMS ARE LEGITIMATE, HAVE NOT BEEN PREVIOUSLY PAID, AND ARE OTHERWISE CORRECT FOR PAYMENT.

FYI - IT IS OUR OPINION THAT NO MENTION OF THIS PROPOSED SETTLEMENT SHOULD BE MADE TO PIA. END FYI.

DECONTROL 12/31/78
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Message Attributes

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